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1994 Governor and the
54th Legislature
from the Joint
Interim
Subcommittee on

A Report to the Governor and the 54th Legislature
from the
JOINT INTERIM SUBCOMMITTEE ON VETERANS' NEEDS

Prepared by
Susan Byorth Fox, Researcher

October 1994

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HOUSE JOINT RESOLUTION NO. 27

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF THE NEEDS OF MONTANA VETERANS; AND REQUIRING A REPORT OF FINDINGS AND RECOMMENDATIONS OF THE STUDY TO THE 54TH LEGISLATURE.

WHEREAS, Montana has the third highest per capita number of veterans in the United States; and

WHEREAS, 26%, or 26,291, of Montana's veterans are 65 years of age or older; and

WHEREAS, Montana currently provides a total of 90 beds for veterans who require nursing home care, which are insufficient to provide for the nursing care needs of Montana's veterans; and

WHEREAS, federal guidelines suggest that Montana needs between 255 and 408 state nursing home beds, and the guidelines provide that these beds can be built and operated with federal funding assistance from the federal Department of Veterans Affairs; and

WHEREAS, the state veterans' nursing home at Columbia Falls serves veterans in northwestern Montana, leaving southwestern and central Montana unserved, and the area of Deer Lodge and Silver Bow Counties would provide an ideal location in which to establish a state veterans' nursing home that is accessible to veterans in the southwestern and central regions of Montana; and

WHEREAS, the 1993 Legislature has considered substantial policy decisions regarding the care of veterans, and the changes must be studied to determine if they fulfill the needs of Montana veterans and if they reflect a new direction in the state's policy on veterans' care or if the traditional policy should be pursued; and

WHEREAS, consideration of shifting 2 cents of the tax on cigarettes revenue from capital construction to operational expenses reflects a change in state policy; and

WHEREAS, another change in state policy has been considered that would allow the use of insurance to pay for community-based, long-term nursing care or home health care, rather than providing for additional long-term nursing care in state-owned facilities; and

WHEREAS, there may be a significant effect on the health care of veterans because of changes in national health care policy.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Council assign an interim committee to study the needs of Montana veterans and that the study include:

(1) the feasibility of providing long-term nursing home care and home health care as it relates to Montana veterans and the role of the federal Department of Veterans Affairs;

(2) a review of the extent of access, geographically and otherwise, of veterans to health and nursing home care within Montana;

(3) the continuum of veterans' services available throughout the state, identification of gaps in the services, and determination of the role and potential for federally funded veterans' programs in Montana; and

(4) a review of state policy regarding veterans' affairs and the development of recommendations to further clarify state policy guidelines relative to veterans' affairs.

BE IT FURTHER RESOLVED, that the interim committee may request staff assistance and information from the Department of Military Affairs, the Veterans' Affairs Division, the Department of Corrections and Human Services, and other legislative or executive agencies that may have information relevant to veterans' affairs.

BE IT FURTHER RESOLVED, that the interim committee be appointed in the manner provided for in section 5-5-211, MCA.

BE IT FURTHER RESOLVED, that the interim committee report its findings, conclusions, and recommendations to the 54th Legislature.

SUMMARY OF RECOMMENDATIONS

The Joint Interim Subcommittee on Veterans' Needs (Subcommittee) studied many issues related to state and federal programs for veterans in the areas of nursing home and long-term care, housing and homelessness, burial benefits, cemeteries, and honoraria.

In a June 30, 1994, letter to the Montana Health Care Authority, the Subcommittee recommended that veterans be included in the Authority's long-term care study and also that the overall health care needs of veterans and their access to health care services be addressed. (See page 25 and Appendix A.)

On September 9, 1994, the Subcommittee adopted the following three pieces of legislation to be introduced in the 1995 Legislative Session:

- (1) An act increasing the allowance for the shipping and raising of the headstones provided by Congress for veterans; appropriating money to the Department of Administration for this cost; amending section 10-2-501, MCA; and providing an effective date. (See page 18 and Appendix B.)
- (2) An act providing an honorary cash benefit to veterans of Grenada, Lebanon, Panama, Desert Shield, or Desert Storm who were residents of Montana at the time of entry into military service; establishing application procedures; appropriating money from the general fund to the Department of Administration to administer the benefit; amending section 15-30-116, MCA; and providing an effective date and a termination date. (See page 21 and Appendix C.)
- (3) A joint resolution of the Senate and the House of Representatives of the State of Montana requesting the Department of Commerce to include a variable on veteran status in future housing studies and surveys; and requesting the Board of Housing to use information on veteran status to develop special housing programs for veterans. (See page 15 and Appendix D.)

Other considerations include:

1. The Subcommittee recommends that aging services and housing information be supplied to the Veterans' Field Offices of the Veterans' Affairs Division for distribution to veterans statewide. (See page 6.)
2. The Subcommittee recommends that nursing home care needs be reevaluated after the Eastern Montana Veterans' Home at Glendive has been in operation for a period of time and after a determination has been made as to whether nursing home care beds will be placed at the Veterans Affairs Medical Center at Fort Harrison. (See page 13.)
3. The Subcommittee commends the involvement of veterans' service organizations in nursing homes around the state and encourages further participation by asking the veterans' service organizations to continue to make inquiry into nursing homes that may accept further involvement and by asking the nursing homes to request more involvement when they see a need. (See page 12.)
4. The Subcommittee is concerned with the in-home care subsidy issue and encourages the Montana Health Care Authority, the Department of Social and Rehabilitation Services, the Department of Family Services' Office of Aging, and the Area Agencies on Aging to continue to endeavor to provide in-home care to those in need in Montana, many of whom are veterans who are not served by an accessible veterans' program. (See page 25.)

INTRODUCTION

House Joint Resolution No. 27 was introduced to address a concern that Montana veterans did not have nursing home resources available to them statewide. The resolution was substituted for a bill that would have requested \$2 million for a nursing home care facility for veterans in the Deer Lodge and Silver Bow Counties area. Northwestern Montana is served by the Columbia Falls state facility, and eastern Montana is currently being served by the federal facility in Miles City and will be served by the new state facility in Glendive. However, the central and southwestern portions of Montana do not have regional, skilled nursing home care specifically for veterans.

In addition, legislation was passed that appropriated a percentage of the cigarette tax for the maintenance and operation of state veterans' nursing homes (Ch. 548, L. 1993). Using a percentage of this revenue for maintenance and operations is a significant departure from the past use of the revenue, which historically has been dedicated exclusively to debt service and the long-range building of capital projects.

House Joint Resolution No. 27 was passed by the 1993 Legislature and directed the Legislative Council to assign an interim committee to study the needs of Montana veterans. The study was directed to include:

- (1) an examination of the feasibility of providing long-term nursing home care and home health care as it relates to Montana veterans and the role of the federal Department of Veterans Affairs (VA);
- (2) a review of the extent of access, geographically and otherwise, of veterans to health and nursing home care within Montana;
- (3) the continuum of veterans' services available throughout the state, identification of gaps in the services, and determination of the role and potential for federally funded veterans' programs in Montana; and
- (4) a review of state policy regarding veterans' affairs and the development of recommendations to further clarify state policy guidelines relative to veterans' affairs.

SUBCOMMITTEE ACTIVITIES

The Subcommittee met five times: in October 1993 and in January, April, June, and September 1994. In October, the Subcommittee received a staff briefing of a proposed study plan based on House Joint Resolution No. 27 and general information on veterans-related issues in Montana¹. The Subcommittee also received information from the Administrators of the Veterans' Affairs Division of the Department of Military Affairs and the Special Services Division of the Department of Corrections and Human Services.

The Subcommittee members chose to study the main areas of nursing homes, cemeteries, state home loan programs for veterans, homeless veterans, burial benefits, and honoraria for Desert Storm and Desert Shield veterans.

Other issues that the Subcommittee requested information on included the progress of the Eastern Montana Veterans' Home at Glendive, the possibility of converting Galen to a nursing home for veterans, the revenue generated by the cigarette tax, the continuum of long-term care, nursing home care needs and needs assessment, and the progress of the Montana Health Care Authority with regard to veterans.

General Information

The Montana Constitution contains a specific clause in reference to veterans:

The people declare that Montana servicemen, servicewomen, and veterans may be given special considerations determined by the legislature. (Article II, section 35, Montana Constitution)

There are two state agencies that deal directly with veterans and veterans' issues: the Special Services Division of the Department of Corrections and Human Services and the Veterans' Affairs Division of the Department of Military Affairs.

The Department of Corrections and Human Services is responsible for providing nursing home care and domiciliary care for honorably discharged veterans and their spouses, as provided by law. (See sections 10-2-403 and 53-1-202, MCA.) The Montana Veterans' Home at Columbia Falls and the planned Eastern Montana Veterans' Home at Glendive are administered by the Special Services Division in Helena.

The Veterans' Affairs Division is attached to the Department of Military Affairs for administrative purposes only. The Division is under the administration of the Board of Veterans' Affairs, whose members are appointed by the Governor. The functions of the Board are to "establish a statewide service for discharged veterans and their families, actively cooperate with state and federal agencies having to do with the affairs of veterans and their families, and promote the general welfare of all veterans and their families". (See section 10-2-102(1), MCA, enacted 1945.) There are five members on the Board representing different areas of the state.

The Veterans' Affairs Division executes the Board's duties. The Division is administered in Helena and has eight field service offices. The field service offices are in Helena, Billings, Butte, Bozeman, Great Falls, Kalispell, Missoula, and Miles City. The Division also works with a State Veterans' Cemetery Advisory Council on the administration of the state veterans' cemetery.

The mission of the Division is to:

- (1) assist all Montana veterans and their surviving spouses and dependents in preparing and filing claims for benefits with the federal Department of Veterans Affairs, the State of Montana, and any agency involved in veterans' affairs;
- (2) obtain copies of military service records upon request;
- (3) coordinate with the service officers of the chartered veterans' organizations of Montana;
- (4) assist genealogical societies and individuals in searching for military records;

- (5) operate and maintain the Montana State Veterans' Cemetery at Fort Harrison;
- (6) maintain burial records for the state veterans' cemetery; and
- (7) provide legislative liaison services.²

Subcommittee Conclusions and Recommendation

The Subcommittee was impressed by the Division's work with limited resources and sees no need for any improvements to the Division. The Subcommittee recommends that aging services information from the Department of Family Services' Office of Aging and from the Area Agencies on Aging, as well as housing information from the Board of Housing, be supplied to the Veterans' Field Offices in order that these state resources may be shared with veterans.

Census Information

In 1990, the U.S. Bureau of the Census reported that 101,544 veterans 16 years of age or older lived in Montana, which was the third highest per capita number in the United States. This figure is 6.5% less than the 1980 total of 108,590. In 1990, there were only 12 counties in Montana that experienced an increase in the number of veterans.

According to the 1990 census, 25.9% of all Montana veterans were 65 years of age or older. Males constituted 95.3% of the Montana veteran population, and 25.7% of the males were 65 years of age or older. Females constituted 4.6% of all Montana veterans, and 29.7% of the females were 65 years of age or older. Of Montana's veteran population, 21% were peacetime veterans, 33% were World War I and World War II veterans, 14% were Korean Conflict veterans, and 32% were Vietnam Era veterans. Montana veterans constituted 0.3% of all veterans in the United States.³

According to the Department of Veterans Affairs' projections, the peak years for veterans 65 years of age or older will be 1999 and 2000, when there will

be an estimated 33,400 veterans living in Montana. The Department estimates that the number of Montana veterans who are 65 years of age or older will decrease to 31,100 by 2010. In 1990, the median estimated age of Montana veterans was 54.4 years, but the median estimated age will rise to 58.9 years in 2000 and to 62.7 years in 2010.

The number of Montana veterans who will be 85 years of age or older is estimated to increase dramatically from 600 in 1990 to 1,500 in 2000 and to 4,500 in the year 2010. It may well be that this population will be the one most in need of nursing home care and that expansion of home- and community-based care may be used for the majority of individuals who are 65 to 85 years of age.

TABLE 1

**Montana's Veteran Population
Percentage Aged 65 and Older
1990 Census Data**

Veterans' Affairs Field Office Region	Veteran Population 65 Years of Age and Older	Total Veteran Population	Percentage 65 Years of Age and Older
Great Falls	5,308	20,404	26.0
Billings	4,532	17,672	25.6
Missoula	4,105	16,561	24.7
Butte	3,215	10,239	31.0
Kalispell	2,988	11,979	24.9
Miles City	2,636	9,331	28.2
Bozeman	2,141	8,347	25.6
Helena	1,568	6,346	24.7

Subcommittee Study Areas

Nursing Homes -- Private, State, and Federal -- Geographical Distribution

The Subcommittee's interest in veterans' health care needs originated with concern about the availability of nursing home care for veterans. The funding of the Eastern Montana Veterans' Home was in question in the 1993 Legislature, and the representatives of southwestern Montana were concerned with geographical access for the veterans of that region of the state. Most veterans who need nursing home care are served by private nursing homes, but there are limited state and federal veterans' nursing homes available for veterans who favor a public veterans' facility.

Information collected by the Montana Health Care Association indicates that some nursing homes have special programs for veterans and that many more nursing homes would be willing to offer special programs. Representatives of veterans' service organizations have indicated that they participate actively in providing programs and services for veterans in their local nursing homes.

Veterans' Nursing Home Care Beds in Montana

Listed below are the state and federal veterans' facilities in Montana that provide or have proposed to provide nursing home care beds for veterans.

Federal Veterans Affairs Medical Center at Miles City

26 skilled nursing home care beds

Montana Veterans' Home at Columbia Falls

90 skilled nursing home care beds

60 domiciliary beds

Eastern Montana Veterans' Home at Glendive (in progress)

80 skilled nursing home care beds

Federal Veterans Affairs Medical Center at Fort Harrison, Helena

no nursing home care beds at present, 30 proposed

General Nursing Home Population and Comparisons to Montana Veterans' Home at Columbia Falls

According to the U.S. Bureau of the Census, between 1980 and 1990, the U.S. nursing home population increased 24.2% and the Montana nursing home population increased 41.7%. In the U.S. in 1990, less than 2% of those 65 to 74 years of age lived in nursing homes, as compared with 6% of those 75 to 84 years of age, 19% of those 85 to 89 years of age, and 33% of those 90 to 94 years of age. Over 70% of the U.S. nursing home population was female, and two-thirds of those women were 80 years of age or older.⁴

According to the Department of Health and Environmental Sciences, in 1991 68% of Montana's nursing home population was female and the majority of Montana's nursing home population (75%) was 75 years of age or older. These figures contrast with those of the Montana Veterans' Home at Columbia Falls, in which 8% of the population was female, 46% of the total population was 75 years of age or older, 43% of the population was 65 to 74 years of age, and the remainder was under 65 years of age.⁵

In 1991, Montana's general nursing home facilities had a 91.3% occupancy rate and the Montana Veterans' Home at Columbia Falls had a 92.6% occupancy rate. There are nursing home facilities in 52 counties; Treasure, Petroleum, Judith Basin, and Golden Valley Counties are the counties without nursing home facilities.

The Montana Veterans' Home at Columbia Falls had residents from 25 counties in 1991. The county with the largest representation in the facility was Flathead County, whose 35 residents occupied 39% of the 90 long-term care beds.⁶ A majority of 58 residents, occupying 65% of the long-term care beds, were from 11 counties that have their major population areas west of the Continental Divide and that represent 33% of the state's total population.

Costs at Montana Veterans' Home at Columbia Falls

The approximate cost per day in 1993 at the Montana Veterans' Home at Columbia Falls was \$78.43 for nursing home care and \$39.57 for domiciliary care. Funding at the Montana Veterans' Home at Columbia Falls is a combination of income from VA reimbursements (at \$31.03 per day for nursing home care and \$13.25 per day for domiciliary care as of October 1993), third-party payers (insurance, private pay, Medicaid, or Medicare), state special revenue (cigarette tax), and other sources (i.e., interest or donations). In fiscal year 1993, total expenditures were \$2,976,035 and total revenue was \$2,976,035, which included VA reimbursements of \$969,114, third-party payments of \$1,254,253, state special revenue payments of \$728,402, and \$24,266 in payments from other sources.⁷

The Eastern Montana Veterans' Home operations have been contracted to a private vendor, Glendive Medical Center, that will be leasing the facility from the state and operating it. The veterans who are accepted into the Eastern Montana Veterans' Home will be eligible for the federal stipend, which is currently \$31.03 per day, but will receive no state funding, which differs from the Montana Veterans' Home at Columbia Falls. The remainder of the cost will be borne by each veteran, Medicaid or Medicare, and private insurance. The lease payments, after the initial 2-year startup agreement, will be used for the maintenance of the facility, and if necessary, revenue from the cigarette tax may need to be used for maintenance and operation costs.

Veterans' Homes in Selected States

Of the 12 states with 1990 census populations between 450,000 and 1,725,000, Montana has the second highest number of state veterans' nursing homes (two including the Eastern Montana Veterans' Home) and the second highest number of skilled nursing home care beds (170). Montana's numbers are exceeded only by Idaho, which has three nursing homes with 268 skilled nursing home care beds.⁸

The VA has a State Veterans Home Program that funds construction and per diem for state veterans' homes. The program uses a guideline of 2.5 beds per 1,000 veterans for its construction loans and may allow up to 4 beds per 1,000 veterans with specific, documented justification. By the 2.5-bed measure, Montana could qualify for 255 state nursing home care beds without justification. Between the facilities at Columbia Falls and Glendive, Montana will have 170 skilled nursing home care beds.

Though Montana could qualify for at least 85 more State Veterans Home Program beds, the criteria should not be viewed as a needs assessment, but only as a guide for the VA. There has been no long-term care needs assessment conducted for Montana veterans. (See the recommendation to the Montana Health Care Authority in Appendix A.) There are reservations as to what level of occupancy will be reached at the Eastern Montana Veterans' Home and whether it can remain independent of further state funding. The VA will also consider any additional state beds in determining whether nursing home care beds are warranted at Fort Harrison.

Federal Department of Veterans Affairs Proposals

The Veterans Affairs Medical Center at Fort Harrison in Helena has included 30 nursing home care beds in its 5-year facility plan, with construction proposed to begin in fiscal year 1999. This plan is dependent on the analysis of a nursing home survey completed in October 1993 that reviews the 1990 census data and the availability and suitability of community resources.⁹

The VA has dropped a proposed nursing home care bed expansion project at the Veterans Affairs Medical Center at Miles City. Excess acute medical and surgical beds were to be converted to nursing home care beds. The approval of the 80 beds at Glendive made expansion at Miles City unnecessary. The VA is now looking at expansion in a new light, with an emphasis on extended long-term intensive rehabilitation for those who need help beyond acute care.¹⁰

Federal Department of Veterans Affairs Contracts with Private Facilities

The VA enters contracts with private nursing home facilities to provide long-term care when a patient is transferred from acute care at a Veterans Affairs Medical Center to a nursing home of the patient's choice. Veterans with service-connected disabilities may be placed indefinitely, and veterans with nonservice-connected disabilities may be funded for a maximum of 6 months, but may be funded for less because of funding limitations.

In March of 1994, Fort Harrison had contracts with 23 private nursing homes and was contracting for care for 42 veterans. The Veterans Affairs Medical Center at Miles City had contracts with 11 private nursing homes and was contracting for care for 15 veterans in March 1994¹¹.

Subcommittee Conclusions and Recommendation

The Subcommittee commends the veterans' service organizations for the volunteer work that they do in local, private nursing homes and encourages further participation by asking veterans' service organizations to continue to make inquiry into nursing homes that may accept further involvement from a veterans' service organization and by asking nursing homes to request more involvement when they see a need.

The Subcommittee recommends that the nursing home issue be reevaluated at a future date, after the Eastern Montana Veterans' Home at Glendive has been in operation for a period of time, after a decision has been made regarding nursing home care beds at Fort Harrison, and after any state or national health care reform takes place that may affect long-term care resources for veterans.

Though veterans' representatives and Subcommittee members value the state and federal veterans' homes and hold strong opinions on the need for additional beds, many Subcommittee members and interested persons expressed a desire to allow a veteran to have the choice of staying in the home community if the

veteran or the veteran's family prefer that option. The Subcommittee subsequently received additional information on the continuum of long-term care. (See page 23 on long-term care.)

State and Federal Cemeteries -- Geographical Distribution

The Montana Veterans' Affairs Division operates and maintains the Montana State Veterans' Cemetery at Fort Harrison. There are 300 veterans and spouses buried at the Fort Harrison cemetery, which has a total capacity of 36,000 burials. License plate fees from special veterans' license plates support the state cemetery program. Because there is only one state cemetery, at Fort Harrison, the Division administrator and many interested persons believe that there is reluctance to support the license plate program in other areas of the state, which may be attributed to the supposition that many veterans do not want to support a cemetery in which they would be buried away from their home community.

The Montana Veterans' Home at Columbia Falls has a cemetery that is available to those veterans who have resided there. Fort Missoula also has a cemetery for those persons who die while on active duty or for people who have died after retiring from active duty. There is no cemetery currently included in the plan for the Eastern Montana Veterans' Home at Glendive, but local and state officials are inquiring into the possibilities. There is a national cemetery at the Little Bighorn Battlefield National Monument. However, this cemetery has been closed since 1979 except to persons who had reserved plots and to spouses of those previously buried.

Since there are geographical limitations to state veterans' cemeteries and since other cemeteries limit who is eligible to be buried, there is a concern for statewide availability. The Veterans' Affairs Division is working diligently on the Fort Harrison cemetery to fully develop the facilities and anticipates greater statewide efforts in the future. State and local officials are also aware of the desire to have a cemetery for the Eastern Montana Veterans' Home.

The Subcommittee received information regarding national cemeteries in response to an inquiry as to whether the Montana State Cemetery at Fort Harrison could be turned into a national cemetery¹². Because of budget shortfalls throughout the country, the federal government has chosen to place additional national cemeteries in large urban centers, where most veterans reside. In lieu of creating a national cemetery in Montana, the VA offers a State Cemetery Grants Program in which Montana is actively participating.

Housing Loans and State Veterans' Home Loan Programs¹³

VA-guaranteed loans are available to veterans in Montana through the lending community. There are five basic lending programs, but the following three are the most functional: loans to purchase an existing home or a home not yet constructed; regular refinancing of VA or non-VA loans; and interest rate reduction refinancing on original VA loans.

Each veteran who was ever eligible for a GI loan remains eligible for a VA-guaranteed loan. Eligibility varies, but it is prescribed by current federal legislation and is dependent upon the amount a veteran has invested in a VA loan and the amount of eligibility restored, either through total repayment of the loan or through the assumption of the loan by another veteran. Currently, the maximum amount of entitlement is \$36,000, with legislation pending to increase that amount to \$50,750.

The Montana Board of Housing (MBOH) was created by the Housing Act of 1975 in order to alleviate the high cost of housing for persons and families with low or moderate incomes (Ch. 461, L. 1975). The MBOH operates programs in three areas: home ownership programs; multifamily programs; and programs for the elderly. There is no preference for veterans in any of these programs, but veterans are encouraged to participate in any program for which they are eligible. The MBOH assists persons in purchasing homes by providing loan funds that are either insured by the Federal Housing Administration or

guaranteed by the VA. Approximately 10% of the home ownership loans processed by the MBOH are VA-guaranteed loans¹⁴.

There is little information on veteran-specific housing needs in Montana, although the Department of Commerce does perform a Comprehensive Housing Affordability Strategy to fulfill various federal requirements. Section 90-6-104, MCA, authorizes the MBOH to "develop special programs for housing developments for veterans of the armed forces of the United States who are unable to acquire safe and sanitary housing through lending institutions by conventional means". However, the MBOH has never developed special programs for veterans.

Subcommittee Conclusions and Recommendation

The Subcommittee received information citing six states that have state home loan programs that assist veterans either to purchase homes or land or to use for home improvements¹⁵. Because of the complexity of the loan programs, various federal statutes, and the availability of the MBOH and VA-guaranteed loan programs, the Subcommittee did not pursue this option.

The Subcommittee recommends that a draft resolution be introduced to request the Department of Commerce to include a variable on veteran status in future surveys and studies to ascertain the housing needs of veterans in Montana. In the resolution, the Subcommittee recommends that the MBOH use its existing statutory authority to develop special programs for veterans' housing, based on the information obtained through the Department of Commerce surveys and studies. The Subcommittee expressed interest in a program similar to the Program for Manufactured Housing. (See Appendix D.)

Homeless Veterans¹⁶

There are no comprehensive statewide statistics on the number of homeless veterans in Montana. Nationwide, approximately 30% to 45% of homeless

adult males are veterans and about 2% of homeless adult females are veterans. Estimates on the numbers of homeless veterans range from 110,000 to 250,000.¹⁷

The percentage of veterans among the homeless reflects the portion of adult men who are veterans--approximately 30%. Studies have shown that the incidence of homelessness among veterans is no higher for those who experienced combat or served in Vietnam than for those who did not. Apparently, the higher incidence of homelessness among male veterans as opposed to male nonveterans in some age groups, such as the 20- to 35-year-old age group, is connected to personal characteristics and background prior to entering military service--i.e., poverty, disadvantaged backgrounds, and higher rates of mental illness.¹⁸

Compared to the general homeless population, the majority of homeless veterans are single and male, tend to be older, have higher levels of education, and, partially because of VA benefits, have slightly higher average incomes. Similar to the general population of homeless adult males, 40% of homeless veterans suffer from severe mental illness and (with considerable overlap) about half have alcohol or other drug problems.

The VA has 10 separate programs for homeless veterans, and there are general VA benefits and services that assist homeless veterans, although these programs are not necessarily available in Montana. The two closest domiciliary care programs are in Medford, Oregon, and Sioux Falls, South Dakota. There have been some referrals from the South Dakota Domiciliary to the Montana Veterans' Home at Columbia Falls.

Pat Estenson, Superintendent of the Montana Veterans' Home at Columbia Falls, informed the Subcommittee that there was a possibility that homeless veterans could use the vacant domiciliary beds, but the domiciliary care program has not focused on the issue. He also provided information that the

residents in the domiciliary unit received no Medicaid payment, only VA per diem.¹⁹

Joe Brand, Veterans of Foreign Wars, informed the Subcommittee that there were two programs in Billings for homeless veterans: the Mission Rescue Program and the Veterans Upward Bound Program. There are plans to expand these programs in the future.²⁰

Burial Benefits

Section 10-2-501, MCA, provides for two state burial benefits for veterans: an allowance of up to \$250 to defer burial expenses and an allowance of up to \$30 for the shipping and raising of the headstone that is provided gratis by Congress for a veteran. These benefits are paid by the county of residence at the time of death.

Jim Jacobsen, Veterans' Affairs Division, presented information to the Subcommittee that the allowance for headstones is often insufficient to meet the cost. The cost of shipping and raising headstones is closer to \$60 or \$70 in the more populated counties. The Subcommittee staff prepared a report on this issue,²¹ and the Subcommittee pursued the idea of adjusting the \$30 amount. Because this cost is currently a cost to counties, the Subcommittee members believed it was important for the state to assume the difference between the current allowance and the proposed higher allowance.

Jim Jacobsen provided information regarding the number of headstones that had been provided by Congress to Montana veterans over the past 5 years: 885 in 1989; 1,024 in 1990; 1,116 in 1991; 1,180 in 1992; and 1,151 in 1993.

Subcommittee Recommendation

The Subcommittee recommends that legislation be introduced to raise the allowance for the shipping and raising of a headstone to \$70 and to have the state assume the \$40 difference between the \$30 that the county now pays and the \$70 proposed. The proposal specifies that the counties will be allowed to withhold up to \$40 per headstone from their monthly remittance to the State Treasurer. The Subcommittee proposed an appropriation of \$48,000 for each year of the biennium to cover 1,200 headstones. (See Appendices B and E.)

Honoraria for Veterans of Grenada, Lebanon, Panama, Desert Shield, and Desert Storm

In 1950, Montana voters passed Initiative No. 54, giving veterans of World War II an honorarium, or adjusted compensation, for their wartime service to the country. Over the years, honoraria were also given, through legislation, to the veterans of World War I, the Korean War, and the Vietnam War.

The honoraria for the World War I, World War II, and Korean War veterans were paid for from the war veterans' compensation bond retirement fund. Limited obligation bonds were issued, funded by the 2-cent cigarette tax (which is now earmarked for the operation and maintenance of the Montana Veterans' Homes). The Vietnam War honoraria were funded by the general fund.²²

The Subcommittee reviewed the military conflicts since the Vietnam War, and it also reviewed the veterans' bonus programs from the states of Pennsylvania and West Virginia. To continue the tradition of formally recognizing the contributions of Montana veterans who have served in combat theaters, the Subcommittee recommends that legislation be introduced for an honorary benefit for the veterans of the military conflicts of Grenada, Lebanon, Panama, Desert Shield, and Desert Storm.

It was difficult to ascertain an estimate of the number of Montana veterans who had served in these military conflicts. The Subcommittee's proposal was patterned after legislation that had been proposed but failed in the 1991 Legislative Session (House Bill No. 1009), and estimates from that fiscal note were used initially. The fiscal note was based on an estimate of approximately 5,000 affected resident veterans, with an average length of military service of 8 months and with a proposed honorarium of \$120 for each month served (over 14 days). Subcommittee members and interested persons were concerned with that estimate, and further research was performed.

Because the 1991 legislation was proposed in the midst of the Desert Storm conflict, the staff of the Office of the Legislative Auditor (OLA) had been able to gather information only on the number of guards and reservists and the dates they were activated. The OLA staff was unable to ascertain the number of Montana residents who served in a full-time capacity in Operation Desert Storm.²³

The OLA staff cited 635 guards and reservists serving in Desert Storm, a number that was confirmed by other sources and was used by the Subcommittee staff. In attempting to formulate a cost figure, the OLA staff estimated 1,728 Montana residents in the regular armed forces and serving in Desert Storm by using Montana's population as a percentage of the population nationwide (0.32%). Pentagon figures indicate that 2,957 Montanans served in the theater of Desert Storm. The Subcommittee staff could obtain only national statistics on the numbers of those serving in the other military conflicts: Lebanon 1,200; Grenada 8,000; and Panama 27,000.

The Subcommittee revised its original estimate as a result of the concerns and subsequently estimated 2,500 veterans for all conflicts, with an average of 8 months of service and an honorarium amount of \$120 a month. The \$2.5 million appropriation in the bill includes the estimated costs of benefits and claims, a Grade 10 FTE, operating costs, and capital outlay for the equipment needed to process the claims. (See Appendix E.)

In the past, the veterans' bonuses had been administered by the Board of Examiners because of the reliance on funding through bonds. Although the Vietnam War bonus was funded through the general fund, it was also administered by the Board of Examiners (which is attached administratively to the Department of Administration). Because the Subcommittee was interested in using existing resources for this proposal, the Subcommittee staff inquired whether the Board of Examiners was still the appropriate agency to administer this program.

Lois Menzies, Director of the Department of Administration, responded to the inquiry and informed the Subcommittee that the Board of Examiners' support duties had been reallocated among existing staff in three other work units. She informed the Subcommittee that if an additional program were to be implemented, the Department would need additional resources. The staff indicated to the Subcommittee that an appropriate alternative agency would be the Veterans' Affairs Division, which would be familiar with the military terminology and documentation. The Division has only 3 FTE and would also need additional resources to administer this program.

The Subcommittee weighed the alternatives and decided to propose that the Department of Administration, rather than the Board of Examiners, administer the proposed honorary benefit because, although additional resources would be needed, the larger staff would be better able to support this program administratively.

Subcommittee Recommendation

The Subcommittee recommends that legislation be introduced for an honorary cash benefit for those veterans of Grenada, Lebanon, Panama, Desert Shield, and Desert Storm who were residents of Montana at the time of entry into military service. The benefit would amount to \$120 for each month served in a theater of operation. The Department of Administration would administer the benefit. A \$2.5 million appropriation is included in the legislation to cover the

costs of benefits and claims, the salary and benefits of a Grade 10 FTE, the operating costs, and the capital outlay (equipment). (See Appendices C and E.)

Other Issues

Eastern Montana Veterans' Home at Glendive -- Construction Progress

The Subcommittee monitored the progress of the construction of the Eastern Montana Veterans' Home at Glendive. Representative John Johnson, who is from Glendive, shared photographs and construction plans with the Subcommittee. Bob Anderson, Administrator of the Special Services Division of the Department of Corrections and Human Services, provided regular reports to the Subcommittee on the progress of the privatization of the operations, the application process, the financing, and the construction process.

Project Schedule

- Deadline for letters of intent from private companies wishing to submit proposals to operate the Eastern Montana Veterans' Home August 6, 1993
- Federal Veterans Affairs construction approval date by September 10, 1993
- General construction contract signed by September 30, 1993
- Construction begun October 4, 1993
- Deadline to submit proposals to operate facility October 4, 1993
- Official groundbreaking October 13, 1993
- Contract awarded to operate facility:
Glendive Medical Center April 1994
- Recruitment phase:
developing waiting list June 1994
- Startup phase: staffing the facility
upon completion and 37 persons on waiting list
- Admittance phase:
projected occupancy date January - March 1995

Galen Conversion

Initially, the Subcommittee expressed a desire to study the alternatives for providing nursing home care beds for southwestern Montana. The question of

the use of the vacant Galen campus of the Montana State Hospital was raised. At the January 1994 meeting, representatives from the Architecture and Engineering Division (A&E) of the Department of Administration presented information on the cost to remodel Galen into a veterans' nursing home.

The preliminary cost estimate was based on the cost of remodeling two floors of the Terrill/Crockett wings at the Montana State Hospital at Galen and included the cost of gutting and rebuilding the two floors to current standards, leaving the third and fourth floors closed and untouched. Based on renovating 43,196 square feet, plus a contingency fee of 15% (renovation rate), a supervisory fee of 3%, and an architect fee of 10% of construction (renovation rate), the 1994 project cost totaled an estimated \$4,556,900. By the time the project could begin in 1997, the projected total cost (with 4% annual inflation) would be \$5,125,900.

By comparison, the construction cost for a hypothetical, new 40-bed facility was estimated by using the actual square foot construction cost of the new Eastern Montana Veterans' Home as the square foot construction cost for the facility, modified to accommodate only 40 beds. The estimated cost included landscaping and parking but did not include the actual purchase price of land; fluctuating lumber prices could also add to the construction cost. The construction cost used was \$89 per square foot for 34,000 square feet, plus a contingency fee of 10%, a supervisory fee of 3%, and an architect fee of 8% of construction for a total 1994 project cost of \$3,661,500. By the time the project could begin in 1997, the projected total cost (with 4% annual inflation) would be \$4,118,700.²⁴

The Subcommittee was concerned whether the \$89 per square foot cost would be the same across the state. Tom O'Connell, Administrator of the A&E, stated that it would be a good starting point, but the amount must be inflated by the cost difference from the time the bid is made to the time construction begins. The A&E generally uses a 4% inflation rate, but lumber prices since the

beginning of 1994 were experiencing a 50% annual inflation rate; therefore, the contingency amount may or may not cover the difference.

Subcommittee Conclusion

The Subcommittee concluded that Galen was not a feasible option for remodeling into a new veterans' nursing home care facility because the cost of remodeling exceeded the cost of building a new facility. Bob Anderson, Department of Corrections and Human Services, also informed the Subcommittee that the VA will not provide any funds for a remodeling project but will provide funds for a new building project.

Cigarette Tax

House Bill No. 46 (Ch. 548, L. 1993) reserved a percentage of the cigarette tax for the operation and maintenance of state veterans' nursing homes. The bill became effective July 1, 1993, with 10.38% of the cigarette tax revenue reserved for the veterans' nursing homes. Effective August 15, 1993, the amount was raised to 11.11% of the cigarette tax collected under the provisions of section 16-11-111, MCA. The percentage of tax collected on each package of cigarettes must be deposited in the state special revenue fund to the credit of the Department of Corrections and Human Services for the operation and maintenance of state veterans' nursing homes. The remaining revenue, less the expense of collecting the taxes, is deposited as follows: 79.25% in the long-range building program fund in the debt service fund type and 20.25% in the long-range building program fund in the capital projects fund type. (See section 16-11-119, MCA.)

TABLE 2
Cigarette Tax Revenue

Fiscal Year	Total Cigarette Tax Revenue	Cigarette Tax Revenue Reserved for Veterans
1993	\$12,698,000	NA
1994 (projected)	11,981,000	\$1,321,000
1995 (projected)	11,857,000	1,317,000

Source: James Standaert, Office of the Legislative Fiscal Analyst, January 14, 1994

Long-Term Care

The Subcommittee originally approached long-term care from a concern for a lack of nursing home care beds for veterans. Nursing home care for veterans is a part of the continuum of long-term care, and the Subcommittee was encouraged to look at the entire spectrum, from private to public resources and from in-home care to assisted living, residential settings, and nursing homes. The staff provided the Subcommittee with a report on long-term care.²⁵

Long-term care is funded by the consumers and their families and by taxpayers. Long-term care is provided and financed by programs that include Medicaid, Medicare, VA health care services, and Supplemental Security Income. Long-term care has traditionally been provided and publicly financed through institutional care such as nursing homes. Research indicates that the majority of long-term care services are provided by families, usually by female members in the home; it is clear that there is a need for other forms of long-term care to be provided and financed in order to assist veterans and their families. The Subcommittee discussed the need for veterans to have sufficient resources in order to choose the level of services they need, instead of having to rely on nursing home care only.

The Subcommittee received testimony from the staff of the Montana Health Care Authority regarding the in-home care issue. Mike Craig stated that under House Bill No. 2 (Ch. 623, L. 1993), the Department of Social and Rehabilitation Services was directed to review the local-level continuum of care and to develop or redesign the state's system of long-term care. At the same time, the Council on Aging is looking at a single point of access to alleviate entry problems into long-term care.²⁶

Subcommittee Conclusions and Recommendation

The only long-term care resources specifically for veterans in Montana are institutional. While the Subcommittee recognized that the Eastern Montana Veterans' Home will help contribute to the resources in Montana for nursing home care beds, the need for alternatives, such as in-home care, was vital to Montana veterans and their families who wish to remain in their homes and home communities. Subcommittee members who represent rural areas were especially concerned that even if in-home care alternatives were available, the rural areas may not necessarily be served. Access to health care services, specifically transportation, were expressed as major concerns of the Subcommittee members.

With health care reform looming over the state and national health care horizons, it was difficult for the Subcommittee to reach conclusions and to make recommendations on this issue. The Subcommittee recommends that the Montana Health Care Authority, the Department of Social and Rehabilitation Services, the Department of Family Services' Office on Aging, and the Area Agencies on Aging continue to pursue the issue of access to the continuum of long-term care services and to provide these services to Montanans.

Health Care Authority

The Montana Health Care Authority was authorized by Senate Bill No. 285 (Ch. 606, L. 1993). The Authority was directed to submit a report to the

Legislature on or before October 1, 1994, with recommendations for a statewide universal health care access plan. A required feature of the plan included:

integration, to the extent possible under federal and state law, of benefits provided under the health care system with benefits provided by the Indian health service and the United States department of veterans affairs . . .

The Subcommittee staff and Authority staff remained in close contact to keep informed on the respective groups' progress. Jim Jacobsen, Veterans' Affairs Division, was also a resource for both groups in keeping veterans' health care issues in the light.

Subcommittee Conclusions and Recommendation

The Montana Health Care Authority was also directed to perform a long-term care study to be completed by September 1, 1996. Because the Subcommittee studied the long-term care issue, it concluded that there was insufficient information regarding veterans and the continuum of long-term care to draw any conclusions or to make recommendations specifically for veterans and long-term care.

The Subcommittee recommended in a June 30, 1994, letter to the Montana Health Care Authority that veterans be included in the Authority's long-term care study and also recommended that the overall health care needs of veterans and access to health care services be determined and addressed. (See Appendix A.)

Concerns of Interested Persons

The Subcommittee received testimony from the veterans' service organizations and the Legacy Legislature that relayed concerns regarding:

- (1) the need for another centrally located VA domiciliary facility;
- (2) the need for the proposed nursing home care facility at Fort Harrison;
- (3) the need for a VA outpatient facility in northwestern Montana, with the proposal that it be located at or near the Montana Veterans' Home at Columbia Falls;
- (4) the issue of a service-connected disabilities test in order to receive health care services at VA medical facilities; and
- (5) the issue of a means test for nonservice-connected disabilities in order to receive health care services at VA medical facilities.

All of these concerns relate to federal policy, and any changes would require Congressional action. Interested Subcommittee members made a commitment to work with various groups to formulate legislation for introduction in the 1995 Legislative Session.

SUMMARY

The Joint Interim Subcommittee on Veterans' Needs explored many areas of concern to Montana veterans. As the general population ages, so does the veterans' population; long-term care, health care, and nursing home care were and continue to be areas of major concern to the Subcommittee members and to other interested persons. The Subcommittee has submitted veteran-specific legislation concerning honoraria, cemeteries, and burial benefits in order to acknowledge and honor the men and women who have served their country. The Subcommittee has also submitted legislation requesting that the Department of Commerce gather statistics on veterans' housing needs in order to provide groundwork for future Board of Housing programs for veterans.

Many concerns are beyond the control and scope of the Subcommittee. The management of the VA and related effects of federal legislation and health care reform are concerns that interest the Subcommittee, and the members realize that these issues will need to be monitored and studied by others in the future.

Mr. Jacobsen thanked the Subcommittee for its hard work on behalf of all Montana veterans and their family members and recommended that the Subcommittee continue into the next interim because of the upcoming national and state health care issues.

The Subcommittee meetings were faithfully attended by representatives of the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans and by representatives from the Veterans' Affairs Division of the Department of Military Affairs and the Special Services Division of the Department of Corrections and Human Services. Their assistance to the staff and Subcommittee members is deeply appreciated.

lao 4291sfxa.

ENDNOTES

1. See Susan Byorth Fox, General Information on Veterans-Related Issues in Montana, Montana Legislative Council, October 1993.
2. Montana Veterans' Affairs Division (M.V.A.D.), Service For Those Who Served (undated: presented October 1993).
3. U.S. Department of Veterans Affairs, 1990 Census Data on Veterans: Montana, 1990.
4. U.S. Department of Commerce, "Nursing Home Population Increases in Every State, Census Bureau Reports", United States Department of Commerce News (Washington, D.C.: Bureau of the Census), June 28, 1993.
5. Montana Department of Health and Environmental Sciences, Health Data Book and Medical Facilities Inventory, 1992, p. 55.
6. Ibid., p. 66.
7. Bob Anderson, Special Services Division Administrator, Department of Corrections and Human Services, information provided to Susan Byorth Fox, October 1993.
8. U.S. Bureau of the Census, 1990 Census Date; Idaho Department of Veterans Affairs; and Nevada Legislative Counsel Bureau, The Feasibility of Establishing Veterans' Homes, Veterans' Centers and Motor Pools for Veterans, September 1992.
9. This information was taken from the Montana Secretary of State's file on House Joint Resolution No. 6, 1993 Legislative Session. HJR 6 requested immediate construction of nursing home facilities at the Veterans Affairs Medical Center at Fort Harrison.
10. Dr. Donald Holt, Chief of Staff, Veterans Affairs Medical Center, Miles City, interview by Susan Byorth Fox, September 1993.
11. From information provided to the Subcommittee on Veterans' Needs by Rose Hughes, Montana Health Care Association, letter dated April 27, 1994, in Subcommittee file.
12. Subcommittee on Veterans' Needs, Minutes, June 30, 1994, Montana Legislative Council, p. 3.
13. See Susan Byorth Fox, Montana Board of Housing Programs and VA-Guaranteed Loans, Montana Legislative Council, March 1994.
14. Richard Kain, Administrator, Board of Housing, interview by Susan Byorth Fox, March 1994.
15. See Susan Byorth Fox, State Home Loan Programs for Veterans, Montana Legislative Council, January 1994.
16. See Susan Byorth Fox, Homeless Veterans, Montana Legislative Council, January 1994.
17. Eric N. Lindblom, Homelessness Facts, Washington, D.C.: Department of Veterans Affairs, 1992.
18. Ibid.
19. Subcommittee on Veterans' Needs, Minutes, October 22, 1993, Montana Legislative Council, p. 7.

20. Subcommittee on Veterans' Needs, Minutes, September 9, 1994, Montana Legislative Council, pp. 10-11.

21. See Susan Byorth Fox, Veterans' Burial Benefits, Montana Legislative Council, January 1994.

22. A full legislative history and other information are included in a Legislative Council report by Susan Byorth Fox, Honoraria for Montana Residents Who Served During Wartime, Montana Legislative Council, January 1994.

23. Office of the Legislative Auditor, Fiscal Impact of House Bill 1009, Legislative Request 91L-101, March 27, 1991.

24. Subcommittee on Veterans' Needs, Minutes, January 14, 1994, Exhibit #1.

25. See Susan Byorth Fox, The Continuum of Long-Term Care and Resources Available to Veterans, Montana Legislative Council, March 1994.

26. Subcommittee on Veterans' Needs, Minutes, June 30, 1994, Montana Legislative Council, p. 6.

APPENDIX A



Joint Interim Subcommittee on Veterans' Needs

Room 138 State Capitol
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53rd Montana Legislature

SENATE MEMBERS
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ROBERT J. PAVLOVICH
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SUSAN FOX
RESEARCHER
DAVID NISS
ATTORNEY

June 30, 1994

Dorothy Bradley, Chair
Montana Health Care Authority
P.O. Box 200901
Helena, Montana 59620-0901

Dear Madame Chair and Authority Members:

The Joint Interim Subcommittee on Veterans' Needs has studied the long-term care issue in regards to the needs of veterans of the State of Montana and found little information specifically on veterans and their long-term care needs.

Therefore, the Joint Interim Subcommittee on Veterans' Needs respectfully requests that the Montana Health Care Authority include veterans in the long-term care study mandated by Senate Bill No. 285 (sec. 15, Ch. 606, L. 1993) in order to provide information on the long-term care needs of Montana veterans.

The Subcommittee also requests that the Montana Health Care Authority address the overall health care needs of veterans and the access of health care services for veterans in its deliberations.

During the Subcommittee interim study, the following information was discussed:

1. The Legislature mandated the Montana Health Care Authority to conduct a study of the long-term care needs of state residents and to report to the public on or before September 1, 1996, and to the Legislature on or before January 1, 1997.

2. The number of Montana veterans 65 years of age or older will peak in 1999 and 2000, when it is estimated that the number will be 33,400.

Montana Health Care Authority

June 30, 1994

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3. It is estimated that the number of Montana veterans 85 years of age or older will be 1,500 in 2000 and 4,500 in the year 2010.
4. Except for the veterans in specific veterans' facilities, the number receiving nursing home care or other long-term care services is unknown, and a needs assessment is needed.

Moreover, this information will be relevant to the Montana Health Care Authority's other mandate to include integration, to the extent possible under federal and state law, of benefits provided under the health care system with benefits provided by the United States Department of Veterans Affairs and benefits provided by the Medicare and Medicaid programs.

Enclosed are two relevant reports from the Subcommittee's study. The Subcommittee members recognize the magnitude of your task but ask your consideration of these requests.

Sincerely,



Representative Bob Pavlovich
Chairman

Enclosures

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APPENDIX B

1 BILL NO.

2 INTRODUCED BY _____

BY REQUEST OF THE JOINT INTERIM SUBCOMMITTEE ON VETERANS' NEEDS

5 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE ALLOWANCE FOR THE SHIPPING AND
6 RAISING OF THE HEADSTONES PROVIDED BY CONGRESS FOR VETERANS; APPROPRIATING MONEY
7 TO THE DEPARTMENT OF ADMINISTRATION FOR THIS COST; AMENDING SECTION 10-2-501, MCA;
8 AND PROVIDING AN EFFECTIVE DATE."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 10-2-501, MCA, is amended to read:

13 **"10-2-501. Burial allowance for military.** (1) The board of commissioners of each county in this
14 state shall designate a person in the county, preferably a veteran, as veterans' burial supervisor.

15 (2) The veterans' burial supervisor shall cause to be decently interred the body of any veteran who
16 was a resident of the state of Montana at the time of death. In performing this duty, the veterans' burial
17 supervisor shall ensure that the desires of the veteran's personal representative or heirs are not violated.

18 (3) The burial may not be made in any burial grounds or cemetery or in any portion of any burial
19 grounds or cemetery used exclusively for the burial of pauper dead.

(4) A sum not to exceed \$250 to defer burial expenses must be paid by the county commissioners of the county in which the veteran was a bona fide resident at the time of death.

(5) The burial benefits are not available in the case of any veteran whose personal representative or heirs waive the benefits.

(6) Whenever burial is of a resident of the a Montana veterans' home, a sum not to exceed \$250 to defer burial expenses must be paid by the county commissioners of the county in which the veteran resided prior to admittance to the a Montana veterans' home.

27 (7) If a veteran dies while temporarily absent from the state or county of residence, the provisions
28 of this section apply and the burial expenses not exceeding the amount specified in this section must be
29 paid in the same manner as provided in this section.

(8) Whenever a veteran dies at any public institution of the state of Montana, other than the a



1 Montana veterans' home, and burial for any cause is not made in the county of the former residence of
2 the veteran, the officers of the state institution shall provide the proper burial prescribed in this section.
3 The reimbursement for the expense of each burial may not exceed \$250. The expense must be paid by
4 the county in which the veteran resided at the time of entry into the institution.

5 (9) A burial may not be covered by any special or standing contract whereby the cost of burial is
6 reduced below the maximum amount fixed in this section, to the disparagement of proper interment.

7 (10) The veterans' burial supervisor shall, upon request of the deceased veteran's next of kin or
8 guardian, assist in applying to the proper authority for a suitable headstone, as provided by act of
9 congress, and in placing the headstone on the veteran's grave. A sum not exceeding ~~\$30~~ \$70 for the
10 shipping and raising of the headstone must be paid by the county commissioners of the county in which
11 the veteran was a resident at the time of death. The expense must be audited and paid as provided in this
12 section for burial expenses.

13 (11) The county treasurer may withhold an amount of the county total monthly remittance to the
14 state treasurer equal to the actual cost paid, up to \$40, for the shipping and raising of each headstone."

16 **NEW SECTION. Section 2. Appropriation.** The following money is appropriated from the general
17 fund to the department of administration to allow counties to withhold their costs for payment for the
18 shipping and raising of the headstones provided by congress for veterans from the county treasurers'
19 monthly remittances to the state treasurer:

20 Fiscal year 1996 \$48,000
21 Fiscal year 1997 48,000

23 **NEW SECTION. Section 3. Effective date.** [This act] is effective July 1, 1995.

24 -END-

25

APPENDIX C

1 BILL NO.

2 INTRODUCED BY _____

BY REQUEST OF THE JOINT INTERIM SUBCOMMITTEE ON VETERANS' NEEDS

5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN HONORARY CASH BENEFIT TO VETERANS OF
6 GRENADA, LEBANON, PANAMA, DESERT SHIELD, OR DESERT STORM WHO WERE RESIDENTS OF
7 MONTANA AT THE TIME OF ENTRY INTO MILITARY SERVICE; ESTABLISHING APPLICATION
8 PROCEDURES; APPROPRIATING MONEY FROM THE GENERAL FUND TO THE DEPARTMENT OF
9 ADMINISTRATION TO ADMINISTER THE BENEFIT; AMENDING SECTION 15-30-116, MCA; AND
10 PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

STATEMENT OF INTENT

13 A statement of intent is required for this bill because the bill gives the department of administration
14 authority to adopt administrative rules for the application procedure and adjudication of questions of fact
15 and of law regarding applications.

17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

19 **NEW SECTION.** Section 1. Short title. [Sections 1 through 11] may be cited as the "Veterans'
20 Honorary Benefit Act".

22 NEW SECTION. Section 2. Purpose and intent of honorary benefit. The honorary benefit provided
23 under [sections 1 through 11] is given in recognition of the persons who, through their military service in
24 the theaters of operation of Grenada, Lebanon, Panama, desert shield, and desert storm, discharged the
25 obligation of the state to contribute to the defense of the United States.

27 **NEW SECTION.** **Section 3. Definitions.** As used in [sections 1 through 11], the following
28 definitions apply:

29 (1) "Armed forces" means the United States army, navy, marine corps, air force, and coast guard
30 and all other groups, branches, and services that are a part of the armed services and that are under the



1 control and subject to the discipline of the United States department of defense.

2 (2) "Department" means the department of administration.

3 (3) "Desert shield or desert storm" means the period from August 1, 1990, to August 31, 1991,
4 in the theater of operations, including but not limited to the air space, surrounding waters, and territories,
5 of Saudi Arabia, Kuwait, Iraq, Israel, Jordan, Turkey, the United Arab Emirates, Bahrain, Qatar, Oman,
6 Egypt, and Syria.

7 (4) "Grenada" means the period from October 23, 1983, to November 21, 1983, in the Grenada
8 theater of operations.

9 (5) "Lebanon" means the period from August 24, 1982, to February 26, 1984, in the Lebanon
10 theater of operations.

11 (6) "Military service" means service in a theater of operations performed by:

12 (a) a full-time member of the armed forces; or

13 (b) a member of the United States reserve or national guard who was called to active duty.

14 (7) "Panama" means the period from December 20, 1989, to January 31, 1990, in the Panama
15 theater of operations.

16 (8) "Resident" means a person who resided in Montana, as determined by 1-1-215, at the time of
17 entry into military service.

18

19 **NEW SECTION. Section 4. Honorary benefit for military service -- exemption from state taxation.**

20 (1) Except as provided in subsection (3), a person who was in military service in Grenada, Lebanon,
21 Panama, desert shield, or desert storm and who was a resident at the time of entry into military service
22 or the person's surviving beneficiary must receive a lump-sum honorary benefit equal to \$120 for each
23 month or for each portion of a month greater than 14 days spent in applicable military service.

24 (2) For purposes of this section:

25 (a) a person in military service who suffered a disease or injury from any cause in the line of duty,
26 including injury from exposure to weather conditions, and who was hospitalized by the armed services is
27 considered to have been in military service for the time hospitalized; and

28 (b) a person classified by the department of defense as a prisoner of war is considered to have
29 been in military service for the time so classified.

30 (3) A payment may not be made to a person who has been dishonorably discharged until the

1 person is restored by proper authority to an honorable status.

2 (4) Payments made under the provisions of [sections 1 through 11] are exempt from state taxation
3 as provided in 15-30-116.

4

5 **NEW SECTION. Section 5. Application for benefit.** (1) A person who is eligible for the benefit
6 provided under [sections 1 through 11] shall apply to the department or to a county clerk and recorder,
7 as provided in [section 7], in the form prescribed by the department. In the case of a minor or an
8 incompetent person, a claim must be filed by a guardian or custodian.

9 (2) The department shall approve or disapprove each application.

10 (3) Upon approval of an application, the department shall immediately file it with the state auditor.
11 The state auditor shall immediately issue to the applicant a warrant from the general fund and shall deliver
12 or mail the warrant to the applicant at the address shown on the application.

13

14 **NEW SECTION. Section 6. Contents of application -- department requirements.** (1) Each
15 application for the benefit provided under [sections 1 through 11] must contain:

16 (a) the full name of the applicant;
17 (b) the current address of the applicant;
18 (c) the applicant's date and place of birth;
19 (d) the name under which the applicant served in the armed forces;
20 (e) the beginning and ending dates of military service and the applicant's station and unit of
21 assignment during that service;
22 (f) proof that the person was a resident of Montana at the time of entry into military service; and
23 (g) other documentation required by the department.

24 (2) An application by a surviving spouse, child, or parent of a deceased person must contain:

25 (a) all the information as required in subsection (1), to the extent obtainable; and
26 (b) the necessary facts upon which the applicant claims the right to the benefit.

27 (3) The department shall:

28 (a) print a supply of application forms and furnish to each county clerk and recorder and each field
29 service office of the veterans' affairs division in Montana an adequate supply of the forms; and
30 (b) advertise to inform those eligible of their right to the benefit provided under [sections 1 through

1 11].

2 (4) A person who, with intent to defraud, subscribes to a false oath or makes a false
3 representation, either in the application or in the proof offered in support of an application, for the purpose
4 of obtaining the benefit provided under [sections 1 through 11] is guilty of false swearing.

5

6 **NEW SECTION.** **Section 7. Deadline for applications.** (1) All applications for the benefit provided
7 under [sections 1 through 11] must be made on or before June 30, 1997, and must be filed with the
8 department or with a county clerk and recorder.

9 (2) Upon receipt of an application, a county clerk and recorder shall:

- 10 (a) give the applicant a receipt that states the exact time of the filing;
11 (b) immediately endorse the application and the time of filing; and
12 (c) send the application and time of filing to the department.

13 (3) An application filed in accordance with this section preserves the right of the applicant to
14 receive the benefit despite any defect in the application. A defect may be corrected later under a procedure
15 provided in rules adopted by the department.

16

17 **NEW SECTION.** **Section 8. Eligible beneficiaries.** (1) If an eligible person dies before receiving
18 the benefit provided under [sections 1 through 11], the amount to which the person is entitled must be
19 paid in the following order of precedence:

- 20 (a) to a surviving spouse if the spouse has not remarried before making application for payment;
21 (b) if there is no surviving spouse or if the spouse has remarried before making application for
22 payment, to the deceased person's child or children in equal shares; or
23 (c) if there is no eligible spouse or surviving child, to the deceased person's parents in equal shares
24 or, if one parent is deceased, to the surviving parent. If both parents are deceased, payment may not be
25 made.

26 (2) A payment provided for under this section may be made only to a person living at the time of
27 the payment. A payment may not be made to a person's estate.

28 (3) In the case of a minor or an incompetent person, payment must be made to a guardian or
29 custodian.

30



1 **NEW SECTION.** **Section 9. Rulemaking authority -- law to be construed liberally.** (1) The
2 department may adopt rules for the application procedure and for the adjudication of questions of fact and
3 of law regarding applications. The department may accept and consider any form of evidence, including
4 affidavits that tend to establish claims with reasonable certainty.

5 (2) It is the intent of the legislature that [sections 1 through 11] be administered liberally so that,
6 to the extent reasonably possible, a person entitled to the benefit provided under [sections 1 through 11]
7 is not denied payment.

8

9 **NEW SECTION.** **Section 10. Assistance by state and county officials.** The attorney general and
10 all other state and county officials shall render, without charge, assistance to the department in the
11 administration of [sections 1 through 11] and to claimants in the preparation of their applications and
12 required documentation.

13

14 **NEW SECTION.** **Section 11. Right to payment not subject to legal process.** The right to receive
15 the honorary benefit provided under [sections 1 through 11] may not be assigned, pledged, mortgaged,
16 or otherwise encumbered and is not subject to attachment, to levy under execution, or to any other judicial
17 process.

18

19 **Section 12.** Section 15-30-116, MCA, is amended to read:

20 **"15-30-116. Veterans' bonus or military salary -- exemptions.** (1) All payments made under ~~the~~
21 ~~World War I bonus law, Korean bonus law, and the veterans' bonus law and [sections 1 through 11]~~ are
22 hereby exempt from taxation under the income tax laws of the state of Montana, and any income tax
23 which that has been or may ~~hereafter~~ be paid on income received from this source ~~shall~~ must be
24 considered an overpayment and ~~shall~~ must be refunded upon the filing of an amended return and a verified
25 claim for refund on forms prescribed by the department in the same manner as other income tax refund
26 claims are paid.

27 (2) The salary received from the armed forces by residents of Montana who are serving on active
28 duty in the regular armed forces and who entered into active duty from Montana is exempt from state
29 income tax."

30

1 **NEW SECTION.** **Section 13.** **Appropriation for honorary veterans' benefit.** There is appropriated
2 to the department of administration from the general fund \$2.5 million to implement the provisions of
3 [sections 1 through 11] to be administered by the department of administration.

4

5 **NEW SECTION.** **Section 14.** **Codification instruction.** [Sections 1 through 11] are intended to be
6 codified as an integral part of Title 10, chapter 2, and the provisions of Title 10, chapter 2, apply to
7 [sections 1 through 11].

8

9 **NEW SECTION.** **Section 15.** **Effective date.** [This act] is effective July 1, 1995.

10

11 **NEW SECTION.** **Section 16.** **Termination.** [This act] terminates June 30, 1997.

12

-END-

APPENDIX D

1 JOINT RESOLUTION NO. _____

2 INTRODUCED BY _____

3 BY REQUEST OF THE JOINT INTERIM SUBCOMMITTEE ON VETERANS' NEEDS

4

5 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF
6 MONTANA REQUESTING THE DEPARTMENT OF COMMERCE TO INCLUDE A VARIABLE ON VETERAN
7 STATUS IN FUTURE HOUSING STUDIES AND SURVEYS; AND REQUESTING THE BOARD OF HOUSING
8 TO USE INFORMATION ON VETERAN STATUS TO DEVELOP SPECIAL HOUSING PROGRAMS FOR
9 VETERANS.

10

11 WHEREAS, the State of Montana Comprehensive Housing Affordability Strategy (CHAS) Five-Year
12 Plan, though reporting a needs assessment for the state, did not include a variable that specifically
13 identifies Montana veterans' housing needs; and

14 WHEREAS, information on Montana veterans' specific housing needs is not available; and

15 WHEREAS, existing statutory authority, section 90-6-104(20), MCA, authorizes the Board of
16 Housing to develop special programs for housing developments for veterans of the armed forces of the
17 United States who are unable to acquire safe and sanitary housing through lending institutions by
18 conventional means; and

19 WHEREAS, a special program for Montana veterans has never been developed; and

20 WHEREAS, a special program, such as the program for manufactured housing, could be beneficial
21 to the acquisition of affordable housing by Montana veterans.

22

23 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE

24 STATE OF MONTANA:

25 That the Department of Commerce be directed to include veteran status as a variable in future
26 housing studies and surveys in order to better assess and identify the housing needs of veterans in
27 Montana.

28 BE IT FURTHER RESOLVED, that the Board of Housing analyze the information on veteran status
29 and housing needs from past and future housing studies and surveys for the development of special
30 housing programs for veterans for which it has existing statutory authority.

1 BE IT FURTHER RESOLVED, that the Department of Commerce report to the 55th Legislature on
2 the housing needs of veterans in Montana and that the Board of Housing report to the 55th Legislature on
3 the development of special housing programs for Montana veterans.

-END-

5



APPENDIX E

SUBCOMMITTEE FISCAL NOTE FOR HONORARIA

Assumptions:

- (1) There are 2,500 residents who are eligible for \$120 a month for 8 months.
- (2) One Grade 10 FTE (with benefits) is now approximately \$21,954 each year.
- (3) The operating costs (printing, forms, notices) and capital outlay (equipment) are the same as those contained in the fiscal note accompanying the 1991 introduced legislation.
- (4) There is a current operating system that can be modified to administer this program.

FY 96 and 97

Benefits and Claims	\$2,400,000
FTE (1 Grade 10)	43,908
Operating Costs	9,177
Capital Outlay	<u>3,870</u>
 TOTAL	 \$2,456,955

SUBCOMMITTEE FISCAL NOTE FOR HEADSTONE REIMBURSEMENT

Assumptions:

- (1) Approximately 1,200 headstones are shipped annually to Montana counties to be raised for veterans' graves.
- (2) The bill draft is prepared with the assumption that the county will withhold the amount paid for the headstone reimbursement from the monthly remittance to the State Treasurer.
- (3) The State Treasurer will be able to absorb any administrative costs of adjusting the monthly remittance form to accommodate this program.

Biennial appropriation needed for FY 96 and 97	\$96,000
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